



The Commonwealth of Massachusetts

**DEPARTMENT OF
TELECOMMUNICATIONS AND ENERGY**

D.T.E. 02-8

January 24, 2002

Investigation by the Department of Telecommunications and Energy on its own motion, pursuant to G.L. c. 159, §§ 12 and 16, into the collocation security policies of Verizon New England Inc. d/b/a Verizon Massachusetts.

VOTE AND ORDER TO OPEN INVESTIGATION

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I. INTRODUCTION

In this Order, the Department of Telecommunications and Energy (“Department”) votes to examine the collocation security policies of Verizon New England Inc. d/b/a Verizon Massachusetts (“Verizon”) in light of heightened security concerns after the events of September 11, 2001.¹ The purpose of this investigation is to review our prior findings with respect to access by personnel of other carriers to Verizon’s central offices and other facilities, and to assess the security measures in place to protect those facilities. The Department intends to determine, through the presentation of evidence, which policies, if any, should be strengthened to safeguard telecommunications networks from tampering and thereby to ensure reliable telecommunications service to the citizens of Massachusetts.

II. BACKGROUND

The Telecommunications Act of 1996 requires that the incumbent local exchange carrier (“ILEC”) (e.g., Verizon) provide for physical collocation of equipment necessary for interconnection or access to unbundled network elements at its premises to competitive carriers. 47 U.S.C. § 251(c)(6). The Federal Communications Commission (“FCC”) has promulgated regulations to implement the Act’s collocation directives, including regulations addressing issues relating to collocation security. See 47 C.F.R. §51.323.

¹ The terrorist attacks on September 11, 2001 had a direct impact on the provision of telecommunications services, especially in New York City. Verizon’s West Street Central Office suffered extensive damage which disrupted service to much of lower Manhattan. As a result of the attack, Verizon sustained damage to 300,000 residential and business lines, and more than 3 million data circuits.

The Department has issued several orders in which it enunciated its policies concerning collocation security. In Covad/Bell Atlantic Arbitration, D.T.E. 98-21 (1998), the Department issued an Order denying a request by Covad Communications Company (“Covad”) to require Verizon (formerly Bell Atlantic) to offer Covad cageless physical collocation arrangements. Under a cageless physical collocation arrangement, Covad would have been permitted to locate termination equipment on Verizon’s equipment racks in Verizon’s central office, and Covad’s personnel would have been permitted to obtain access to that equipment.² Covad/Bell Atlantic Arbitration at 1.

After assessing the impact of restricting access to Verizon’s central offices on the telecommunications market in Massachusetts, the Department found that “Covad’s proposed cageless collocation arrangement would not result in a more efficient competitive market and would likely result in harm to the incumbent’s telecommunications network.” Id. at 13. The Department’s findings rested with the presumption that, under Covad’s proposal, a continuously increasing number of CLECs would have unfettered access to Verizon’s network resulting in an “increased possibility of human error and damage to Bell Atlantic’s central office facilities. [The Department views] this escalation as potentially uncontrollable and therefore unacceptable.” Id. at 11. The Department endorsed Verizon’s requirement that CLEC equipment be physically separated from its own equipment “in light of the reliance

² This contrasts with (1) caged collocation, in which termination equipment is placed in a segregated physical space in the central office, and (2) virtual collocation, in which the incumbent (e.g., Verizon) would maintain equipment for the competitive local exchange carrier (“CLEC”) (e.g., Covad), and access by CLEC personnel would not be permitted.

placed by all carriers and the public on the proper functioning of [Verizon's] central offices.”

Id. Furthermore, the Department rejected Covad's proposed remedies for the increased security risk as inadequate, agreeing with Verizon that “after-the-fact determinations of ‘who did what,’ ... would not satisfy our need to ensure that our rulings do not jeopardize the proper functioning of the network for all carriers and the public.” Id. at 12.

In 1999, the FCC found otherwise, ordering states to require ILECs to allow alternative collocation arrangements, including cageless collocation, in response to space utilization concerns. In the Matters of Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147, First Report and Order, FCC 99-48 (released March 31, 1999) (“Advanced Services Order”). The FCC's rationale was that the “efficient use of collocation space [is] crucial to the continued development of the competitive telecommunications market.” Id. at ¶42. The Advanced Services Order required ILECs to allow cageless collocation in any unused space without physical separation and without requiring a separate entrance for competitors' employees to access their equipment, although, under certain circumstances, specific “permissible security parameters” could be imposed to protect the incumbent's equipment. Id. In addition, the FCC required that CLECs have access to their collocated equipment 24 hours a day, seven days a week, without the need for security escorts. Id. at ¶ 49. Regarding security with alternative collocation arrangements in general, the Advanced Services Order found that ILECs may establish certain reasonable security measures that will assist in protecting their networks and equipment from harm; however, “the incumbent LEC may not impose discriminatory security requirements that result in increased collocation costs without the concomitant benefit of providing necessary protection of the

incumbent LEC's equipment." Id. at ¶¶ 47-48. The FCC recognized that adequate security for both ILECs and CLECs is important, and therefore permitted ILECs to establish reasonable security measures to protect their equipment and ensure network security and reliability. Id. at ¶ 46.

In response to the Advanced Services Order and space utilization concerns in Massachusetts central offices, the Department in 1999 reversed its findings in Covad/Bell Atlantic Arbitration Order and required Verizon to submit tariff revisions that included the alternative collocation arrangements, including cageless collocation, required by the FCC in the Advanced Services Order. Teleport Petition, D.T.E. 98-58, at 26 n.20 (1999). In that Order, the Department stated that the parameters established in the Advanced Services Order, combined with the requirements from the D.T.E. 98-58 proceeding "should reduce significantly the existing impediments to obtaining interconnection and access to UNEs from Bell Atlantic through collocation." Id.

In two Orders issued in D.T.E. 98-57 in 2000, the Department further addressed collocation security issues in the context of reviewing a Verizon collocation tariff. See Verizon M.D.T.E.No. 17, D.T.E. 98-57, at 24-39 (2000), and Verizon M.D.T.E.No. 17, D.T.E. 98-57, at 6-16, Order on Motions for Reconsideration (2000). In those Orders, the Department made the following determinations: (1) Verizon is required to provide unescorted access to all of a CLEC's equipment located in a central office; (2) Verizon may prohibit a CLEC from access to any area of the central office where that CLEC does not have any equipment located; (3) Verizon may require prior notification before a CLEC dispatches a technician to a collocation arrangement; (4) Verizon may require that CLEC equipment meet

the same safety standards as its own equipment; (5) Verizon may designate a separate entrance for CLECs to use during a work stoppage; and (6) Verizon may deploy a variety of security measures, but may not deploy duplicative security measures. The Department prohibited Verizon from requiring a separate line-up for CLEC equipment and restricting commingling of Verizon and CLEC equipment, but later stayed this requirement. In our Order approving Verizon's collocation tariff, the Department stated that "accumulated experience or changed circumstances may warrant later review of [its collocation tariff] decision." Verizon M.D.T.E.No. 17, D.T.E. 98-57, at 14 n.12, Order on Motions for Reconsideration (2000) (parentheticals omitted).

On March 17, 2000, the U.S. Court of Appeals for the District of Columbia Circuit affirmed in part and vacated in part the FCC's Advanced Services Order. G.T.E.Services Corporation, et al. v. Federal Communications Commission, No. 99-1179 (D.C. Cir. 2000). The Court upheld the FCC's rules requiring cageless collocation. The Court vacated and remanded the physical collocation requirements in paragraph 42 of the Advanced Services Order. Paragraph 42 defined particular requirements for cageless collocation. On remand, the FCC refined its requirements for cageless collocation, including security requirements for CLEC access to central offices. Deployment of Wireline Services Offering Advanced Telecommunications Capability, CC Docket No. 98-147, Fourth Report and Order, FCC 01-204 (released August 8, 2001) ("Collocation Remand Order"). Specifically, the FCC allowed ILECs to restrict CLEC collocation to separate space and to construct separate entrances for CLEC personnel in limited circumstances. On September 28, 2001, Verizon filed tariff revisions to incorporate the changes from the FCC's Collocation Remand Order.

On October 26, 2001, the Department approved Verizon's changes.³

III. VOTE TO OPEN INVESTIGATION

On September 11, 2002, catastrophic damage to Verizon's West Street facility in Manhattan vividly illustrated the consequences of losing a central office. While not all risks are on par with such an event, nonetheless, in response to the events on September 11th, the Department determines that it should review its earlier findings concerning Verizon collocation security issues. Our intent is to determine whether certain of our policies should be modified to ensure that reliable service to competing telecommunications service providers, businesses, and residents of the Commonwealth is not unreasonably at risk. Accordingly, the Department finds, pursuant to G.L. c. 159, §§ 12 and 16, that a proceeding should be instituted to investigate Verizon's collocation security procedures in Massachusetts. The Department hereby votes to open such an investigation, and docket the investigation as D.T.E. 02-8.

The purpose of this investigation is to review our prior findings with respect to Verizon's security procedures and measures that apply to personnel of competing carriers in accessing their collocation sites in Verizon's central offices and other facilities (e.g., remote terminals), and to determine which, if any, policies should be strengthened to safeguard telecommunications networks from human tampering to ensure reliable telecommunications service in Massachusetts.

This investigation will determine whether Verizon's security policies meet the statutory standard for "just, reasonable, safe, adequate and proper regulations and practices." G.L.

³ Verizon currently offers cageless collocation by tariff, which has been approved by the Department. M.D.T.E. Part E, Section 9, pages 1-8.

c. 159, § 16. Specifically, this investigation will include, but not be limited to, an examination of the following issues: (1) the extent and nature of appropriate access by personnel of other carriers to Verizon's central offices and other facilities for accessing collocation sites; (2) whether cageless collocation arrangements remain an acceptable security risk;⁴ (3) the adequacy of security measures implemented in Verizon's central offices and other facilities, focusing on preventive, rather than "after-the-fact," measures; and (4) any other related security issues.

IV. PROCEDURAL SCHEDULE

Verizon is required to publish notice as directed in the ordered section of this Order. In addition, Verizon is required to provide notice to all parties to D.T.E. 98-21, D.T.E. 98-57, and 98-58, as well as all carriers with which Verizon has a collocation arrangement. The Department invites all interested persons who are substantially and specifically affected by the issues under investigation to petition to intervene in this proceeding. Petitions to intervene in this docket must be filed with the Secretary of the Department by 5:00 P.M., on February 11, 2002. The Department will hold a public hearing on February 25, 2002, at 10:00 a.m. at its offices. The public hearing will be followed immediately by a procedural conference, to establish a procedural schedule for the orderly conduct of the investigation. The Department intends for this proceeding to be conducted as an "adjudicatory proceeding," as defined in G.L. c. 30A, § 1(1).

⁴ Cageless collocation arrangements are currently mandated by the FCC. If the Department determines that such arrangements constitute an unacceptable security risk, we would petition the FCC for an exemption from its rules requiring cageless collocation.

V. VOTE AND ORDER

Accordingly, the Department

VOTES: To open an investigation into Verizon's collocation security measures in Massachusetts; and it is

ORDERED: That petitions to intervene in this investigation shall be filed with the Secretary of the Department by February 11, 2002; and it is

FURTHER ORDERED: That a public hearing and procedural conference in this proceeding will be held at the offices of the Department on February 25, 2002, at 10:00 A.M.; and it is

FURTHER ORDERED: That within five business days of the date of this Order, Verizon shall publish the accompanying notice as directed in the attached Order of Notice; and it is

FURTHER ORDERED: That within five business days of the date of this Order, Verizon shall serve a copy of this Order on all parties to D.T.E. 98-21, D.T.E. 98-57, and D.T.E. 98-58; and it is

FURTHER ORDERED: That within five business days of the date of this Order, Verizon shall provide the accompanying notice to all carriers with which it has a collocation arrangement.

By Order of the Department,

James Connelly, Chairman

W. Robert Keating, Commissioner

Paul B. Vasington, Commissioner

Eugene J. Sullivan, Jr., Commissioner

Deirdre K. Manning, Commissioner